

Department of Social and Health Services

DP Code/Title: M2-EB Quality Assurance Unit

Program Level - 050 Long Term Care Services

Budget Period: 2003-05 Version: E1 050 2003-05 Fall Update

Recommendation Summary Text:

This decision package requests funding and FTEs to establish a Quality Assurance (QA) unit within Aging and Adult Services Administration (AASA) Home and Community Services Division (HCS). A more thorough job of monitoring and reviewing Long-Term Care (LTC) cases will result in identification and correction of errors in determining eligibility for services and in payments to providers, resulting in better management of state and federal resources and ensuring clients receive the most appropriate level of care.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 050			
001-1 General Fund - Basic Account-State	(902,000)	(1,001,000)	(1,903,000)
001-C General Fund - Basic Account-DSHS Medicaid Federa	(901,000)	(1,000,000)	(1,901,000)
Total Cost	(1,803,000)	(2,001,000)	(3,804,000)

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Program 050 FTEs	16.0	16.0	16.0

Package Description:

RCW 74.39A.090 requires the department to monitor the degree and quality of case management performed by the Area Agencies on Aging (AAA) staff for elderly and disabled persons in the community. RCW 74.39A.050 requires the implementation of a LTC quality improvement system that focuses on consumer satisfaction and positive outcomes for consumers. In accordance with these two RCWs, AASA has conducted two case reviews. The first review, in late 1999 and early 2000, looked at 1.5 percent of the in-home caseload managed by the 13 AAAs across the state. The second review, conducted during 2001, looked at just under 2 percent of the entire community-based client load (in-home services, residential settings and nursing home facilities) managed by both the AAA and HCS staff.

Monitoring efforts in both cases were limited by a lack of staff time that could be devoted to these efforts.

These monitoring efforts found a significant number of errors in: 1) Determining eligibility for services, and 2) Payment to providers of care by both AAA and HCS staff.

It is believed that a more thorough job of monitoring and reviewing all LTC cases would result in identification and correction of these and other types of errors. This in turn would:

- Result in better management of state and federal resources;
- Ensure that individuals most in need receive the services they require to remain in or return to their own home or other community-based setting in lieu of a nursing facility placement;
- Result in identification of significant cost savings or avoidance by identifying errors in authorization of services and payment to providers earlier, and assure these issues are addressed at the local level; and
- Decrease the likelihood of federal disallowance due to noncompliance with Home and Community Based waiver program requirements and with the Department of Social and Health Services (DSHS) specific policies and procedures, with which the federal government expects HCS and AAA case managers to comply.

To accomplish the levels of monitoring that results in the desired outcomes would require a dedicated staffing. It is estimated that a unit of 16 full-time staff members should be sufficient to monitor up to 10 percent of long-term care cases. This should allow for prompt identification and correction of a significant level of eligibility determination and payment errors.

Department of Social and Health Services

DP Code/Title: M2-EB Quality Assurance Unit

Program Level - 050 Long Term Care Services

Budget Period: 2003-05 Version: E1 050 2003-05 Fall Update

This unit is expected to:

- Review both HCS and AAA field staff casework;
- Examine payment authorizations to ensure compliance with federal and state law; and
- Generate significant savings through reductions in incorrect client eligibility determinations and payment errors.

It is anticipated that the QA unit will:

- Provide improvement in the accuracy and quality of client assessments and service;
- Reduce vulnerability to federal disallowance; and
- Strengthen the processes for assuring the safety and security of vulnerable adults.

Narrative Justification and Impact Statement

How contributes to strategic plan:

The creation of the QA unit contributes to AASA's strategic plan in the following ways:

1. The proposal will support AASA's goal to improve accountability and achieve budget savings by managing access to Medicaid long-term care benefits. It will assist with the implementation of new quality assurance protocols for HCS and AAA for client eligibility, assessment, care planning, and case management.
2. The proposal will support AASA's goal to strengthen data analysis to improve strategic planning for high-risk clients, using the quality assurance findings to identify LTC system problems and feedback recommendations for strategic planning purposes.
3. The establishment will aid the department's goal of strengthening the effectiveness of AASA manager/supervisor/staff and improving LTC eligibility, client assessment, care planning, and care coordination functions.

In addition, this decision package will help DSHS achieve its balanced scorecard objectives by:

1. Evaluating and helping to ensure that clients receive the services they need and for which they are eligible in the least restrictive community setting possible.
2. Promoting the maximum use of clients informal support resources so that services are only authorized when there are no informal supports, or when informal supports are insufficient to meet all existing needs, so DSHS does not use state and federal resources to supplant (but rather to support) informal resources that are available to clients.
3. Establishing a formal quality assurance process that includes performance and accountability standards for Adult Protective Services.
4. Seeking to maximize the public trust through:
 - Finding, correcting, and minimizing instances of overpayments to providers.
 - Assuring that only those individuals who qualify for Community Options Program Entry Services (COPES) and Medicaid Personal Care services are admitted to those programs.
 - Routinely making accurate determinations regarding client financial participation for their cost of care.

Performance Measure Detail

Program: 050

Goal: 04E Improve Internal Management Processes

No measures submitted for package

Incremental Changes

FY 1

FY 2

Goal: 06E Ensure cost effectiveness of long-term care

No measures submitted for package

Incremental Changes

FY 1

FY 2

Reason for change:

Department of Social and Health Services

DP Code/Title: M2-EB Quality Assurance Unit
Program Level - 050 Long Term Care Services

Budget Period: 2003-05 Version: E1 050 2003-05 Fall Update

Establishment of a QA unit within AASA's Home and Community Services Division is needed to:

1. Meet federal requirements for a quality assurance monitoring program for the State's Home and Community based waiver program.
2. Meet state law requirements (RCW 74.39A) for implementation of a long-term care quality improvement system and for monitoring of AAA case management services.
3. Reduce the risk of litigation, such has resulted from claims that the state failed to protect vulnerable adults from abuse, neglect, and exploitation.

Impact on clients and services:

The QA unit will help AASA to comply with federal requirements for continued funding of its COPES waiver program. In the long term, it should result in improved quality and consistency of services delivered to HCS/AAA clients. The more intensive monitoring that would occur as a result of the QA unit would identify, reduce, and avoid incidences of abuse and fraud, including associated costs.

Impact on other state programs:

Impact on other programs would be minimal.

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

No statutory or rule changes are needed to implement this decision package.

Alternatives explored by agency:

The main alternative to implementation of this budget proposal is to continue the limited monitoring efforts that are currently occurring from the state office and the inconsistent efforts performed by the HCS regional offices and the AAAs. This alternative could result in the reduction or loss of federal participation in these programs due to errors discovered at the time of federal audit.

Budget impacts in future biennia:

Funding for this activity would carry forward into future biennia.

Distinction between one-time and ongoing costs:

This decision package only includes ongoing costs.

Effects of non-funding:

The savings included in this decision package cannot be realized if the staffing is not funded.

Non-funding will result in vulnerable adults remaining at a higher risk and a greater possibility for program fraud. The state's liability related to potential harm and the negative outcomes to clients will be higher. Federal funding will be in jeopardy because the risk of noncompliance with COPES waiver requirements may grow.

Without staffing to identify problem areas, systemic case management problems, in HCS regional offices and the AAAs, may

Department of Social and Health Services

DP Code/Title: M2-EB Quality Assurance Unit

Program Level - 050 Long Term Care Services

Budget Period: 2003-05 Version: E1 050 2003-05 Fall Update

continue to be chronic; unresolved and system weaknesses and problems may go unidentified until they become critical; inaccuracies in eligibility determinations and inadequate comprehensive assessments of clients needs may continue. As a result, there will be a greater risk that clients do not receive needed services in a timely and effective manner.

Expenditure Calculations and Assumptions:

See attachment - AASA M2-EB Quality Assurance Unit.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 050 Objects			
A Salaries And Wages	777,000	777,000	1,554,000
B Employee Benefits	186,000	186,000	372,000
E Goods And Services	690,000	690,000	1,380,000
G Travel	64,000	64,000	128,000
N Grants, Benefits & Client Services	(3,547,000)	(3,745,000)	(7,292,000)
T Intra-Agency Reimbursements	27,000	27,000	54,000
Total Objects	(1,803,000)	(2,001,000)	(3,804,000)

DSHS Source Code Detail

Program 050		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u> <u>Title</u>				
0011 General Fund State	(902,000)	(1,001,000)	(1,903,000)	
Total for Fund 001-1	(902,000)	(1,001,000)	(1,903,000)	
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u> <u>Title</u>				
19TA Title XIX Assistance (FMAP)	(1,773,000)	(1,872,000)	(3,645,000)	
19UL Title XIX Admin (50%)	872,000	872,000	1,744,000	
Total for Fund 001-C	(901,000)	(1,000,000)	(1,901,000)	
Total Program 050	(1,803,000)	(2,001,000)	(3,804,000)	